



1Q 2008 Results Webcast

29 April 2008



Cautionary Statement

Forward-Looking Statements Cautionary Statement

This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding annual charges, improvements in operating performance and stronger financial delivery, effective tax rate, expected restoration of refinery economic capability, delivery of headcount reduction, production growth and likely negative effects of production sharing agreements, impact of planned upstream turnarounds on volumes and costs, refining margins and expected pressures on marketing businesses. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering, changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation.

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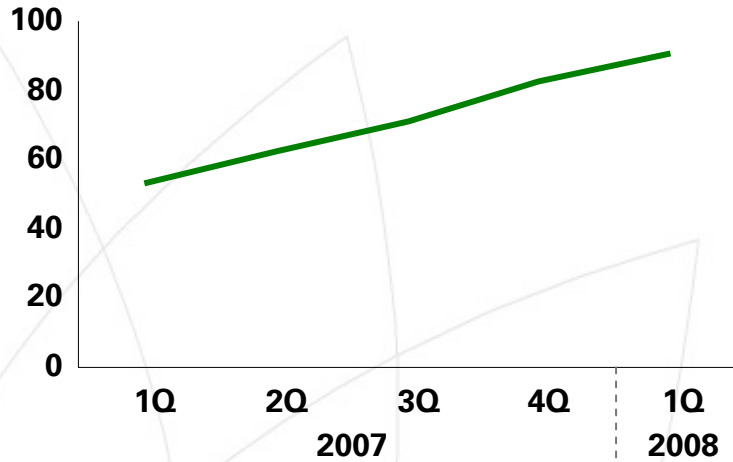
A decorative graphic on the left side of the slide, composed of several overlapping, curved leaf-like shapes in shades of green and yellow, pointing towards the right.

Byron Grote
Chief Financial Officer

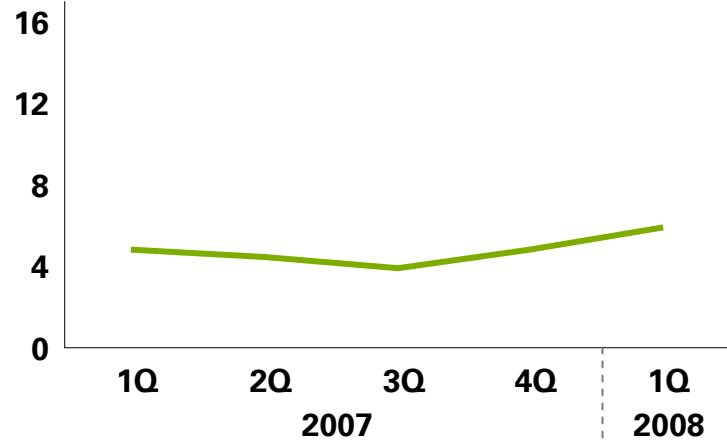


Trading environment

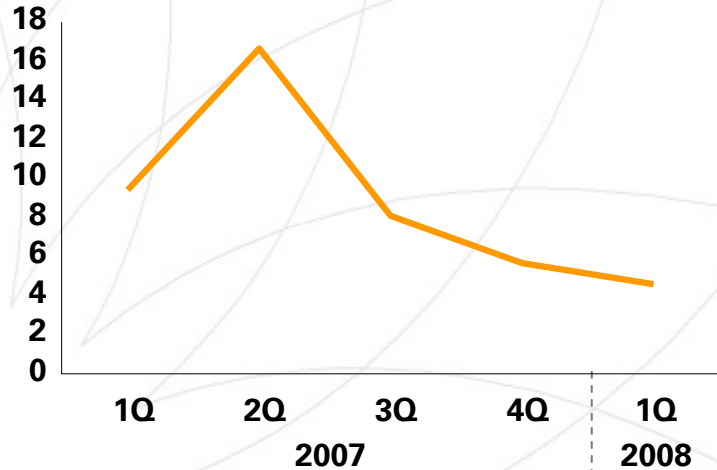
\$/bbl Liquids realization



\$/mcf Gas realization



\$/bbl Refining indicator margin



Average realizations

	<u>1Q08 vs. 1Q07</u>
Liquids \$/bbl	70%
Natural gas \$/mcf	21%
Total hydrocarbons \$/boe	52%
Refining indicator margin \$/bbl	(52)%

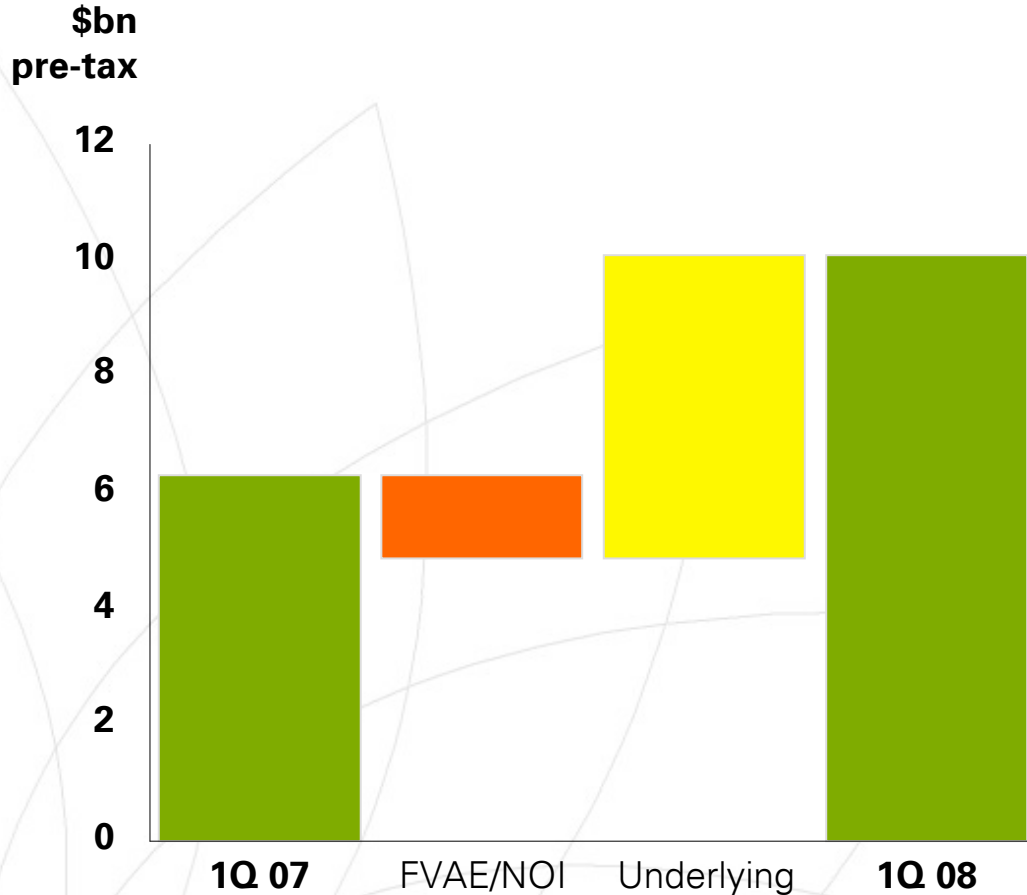
Financial results



Results for the first quarter	Change vs. 1Q 2007		
	\$bn	%	% per share
• Replacement cost profit	6.6	48	52
• Profit including inventory gains/losses	7.6	63	68
• Net cash provided by operating activities	10.9	37	40
	¢/ share		
• Dividend to be paid next quarter	13.525		+31%



Exploration & Production

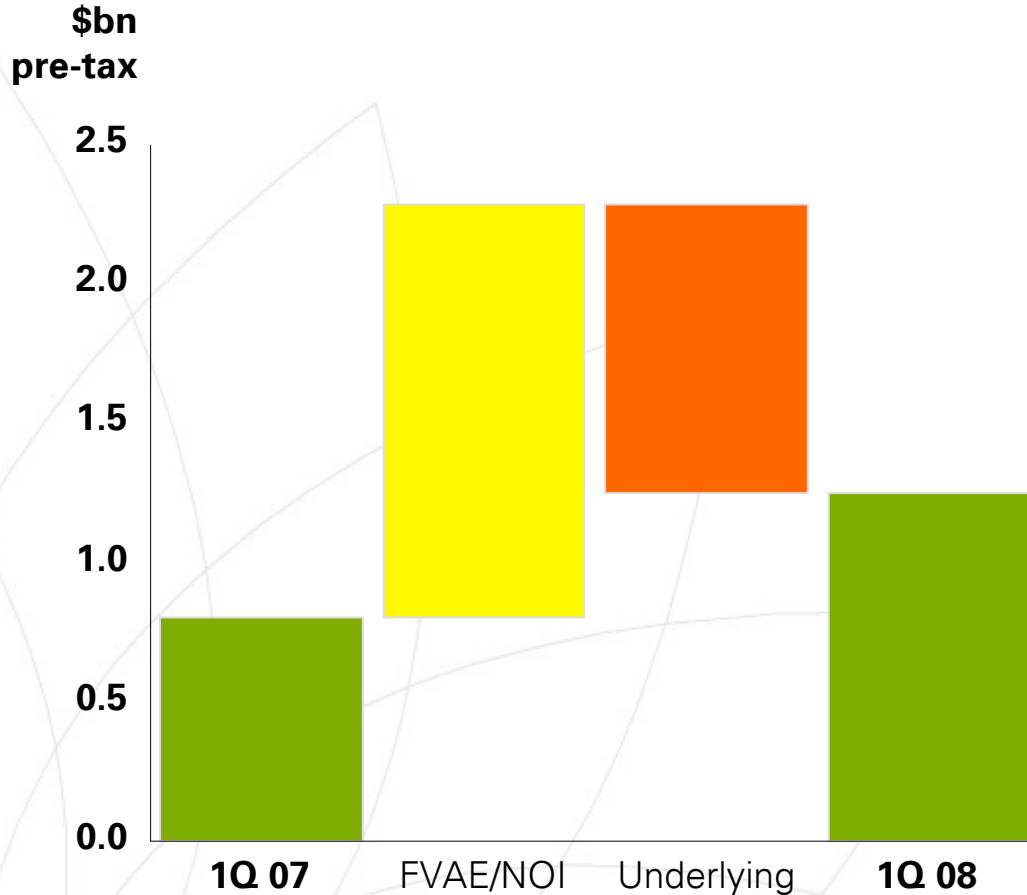


- Higher realizations
- Higher gas marketing and trading and LNG contribution
- Higher costs: DD&A and sector-specific inflation
- Higher TNK–BP contribution: prices and tax lag benefit
- Non-operating items (NOI)
 - Embedded derivatives

1Q 07		1Q 08
5,518	Underlying result \$m	10,707
31	Fair value accounting effects (FVAE) \$m	(259)
757	Non-operating items (NOI) \$m	(376)
6,306	Total result \$m	10,072



Refining & Marketing

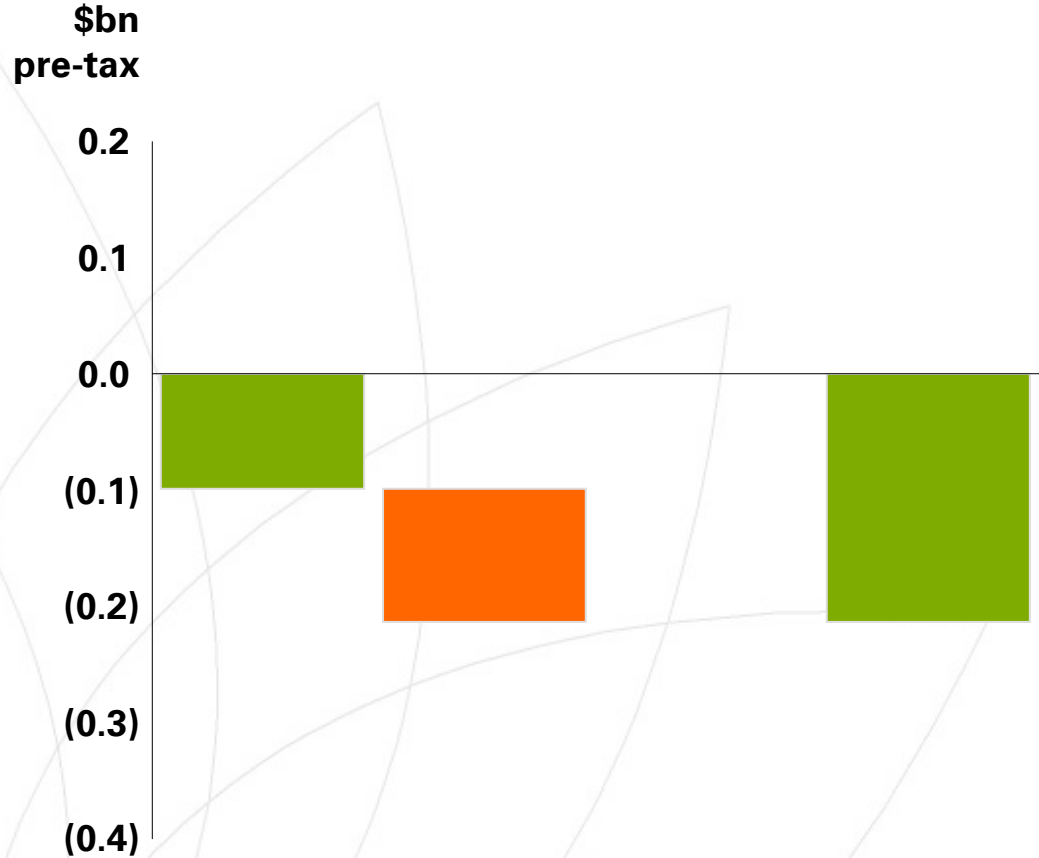


- Higher refining availability
- Lower refining margins
- Greater turnaround and repair activity
- Non-operating items (NOI)
 - Disposal gains
 - Restructuring costs

1,572	Underlying result \$m	539
(539)	Fair value accounting effects (FVAE) \$m	101
(229)	Non-operating items (NOI) \$m	609
804	Total result \$m	1,249



Other businesses & corporate

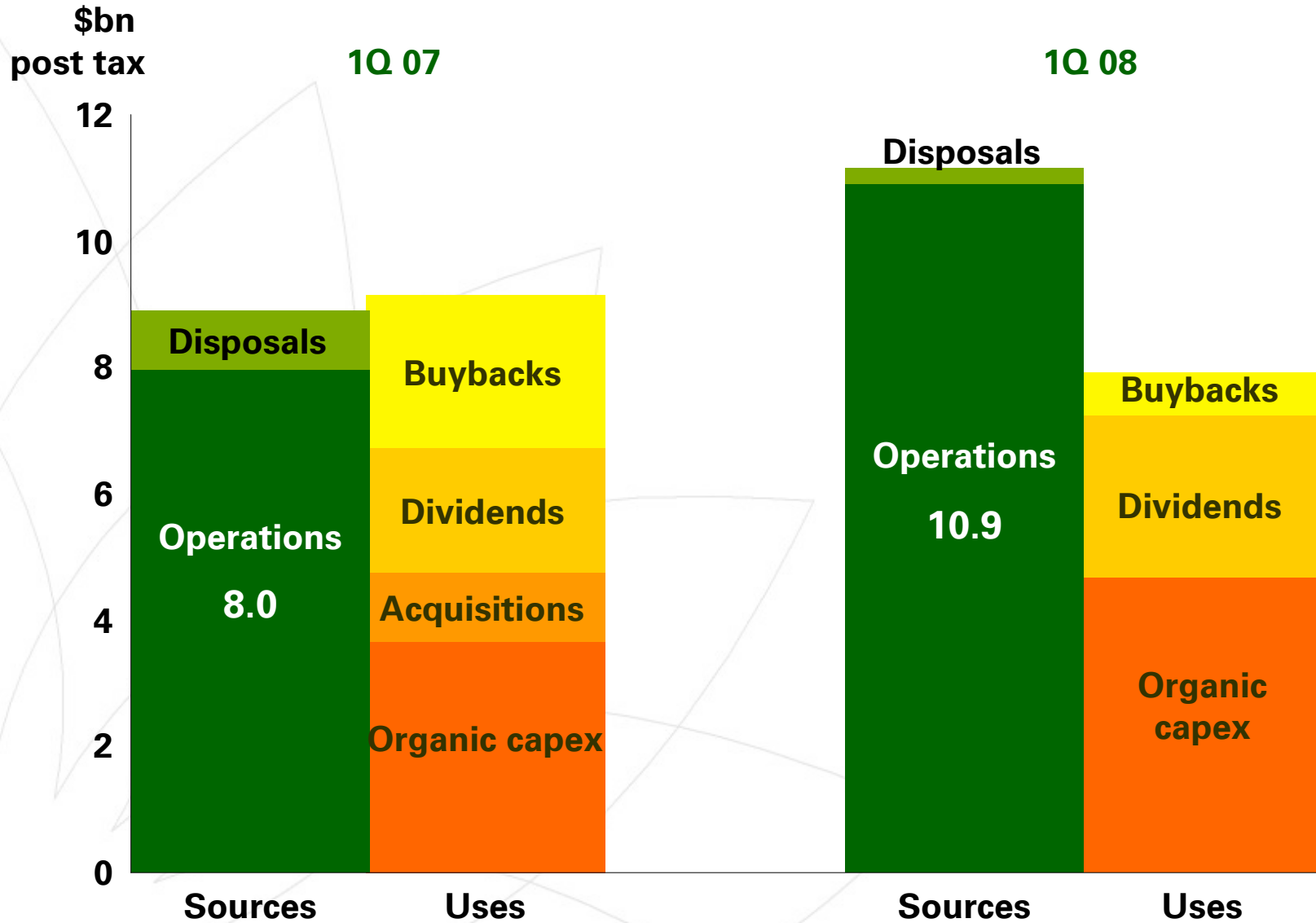


- Expected underlying annual charge of \$1.5bn ± \$200m
- Non-operating items (NOI)
 - Restructuring costs

	1Q 07	FVAE/NOI	Underlying	1Q 08
	(132)			(132)
Underlying result \$m				
	34			(81)
Non-operating items (NOI) \$m				
	<u>(98)</u>			<u>(213)</u>
Total result \$m				

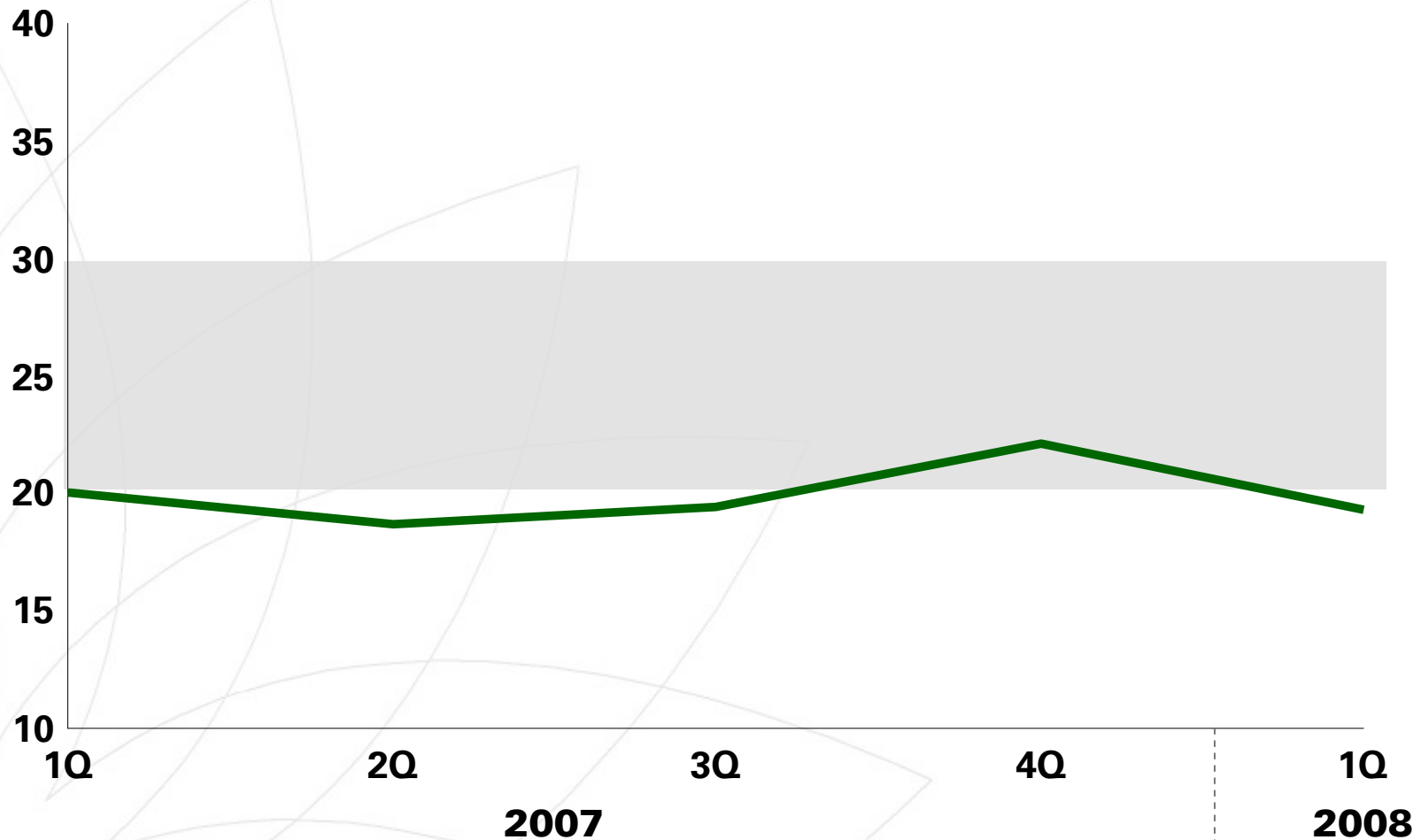


Sources and uses of cash





Net debt ratio



Net debt ratio = net debt / (net debt + equity)

Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt

Strategic progress

Closing the competitive gap: restoring momentum

- Underlying production growth excluding PSA effects of more than 5%
- Project start-ups: Deep Water Gunashli (ACG development) and Mondo (Kizomba C Development)
- Whiting: full crude capacity and flexibility
- Texas City: crude capacity above 400,000 barrels per day

Closing the competitive gap: reducing complexity

- Headcount reduction on track
- \$300m 1Q08 provisions

Securing the future

- Continued exploration success: Angola, Egypt, North Sea, Gulf of Mexico
- Husky deal completed: creation of integrated North American oil sands business
- Denali: The Alaska Gas Pipeline

Outlook

- Expect strong underlying growth in full-year production
- Matched by negative PSA effects at \$100/bbl
- Seasonal upstream turnarounds planned in 2Q-3Q:
North Sea and US
- Refining margins recovering but remain below 2007 level
- Marketing businesses showing impact of economic slowdown

Q&A



Byron Grote

Chief Financial Officer



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